

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Telecommunications Division
Carrier Branch**

RESOLUTION T-16843

R E S O L U T I O N

Resolution T-16843. Verizon California Inc. (U-1002-C) Requests Authority its Revise Its Schedule Cal. P.U.C. Nos. A-46 and K-5, To Withdraw Multi-Media Data Service (MMDS) Due To The Equipment Vendor Withdrawing Support For Parts, Technical Assistance, And Repair Of Various Equipment Components Needed To Provide This Service.

By Advice Letter No. 10854, Filed May 11, 2004.

Summary

This Resolution authorizes Verizon California Inc. (Verizon) to revise its Schedule Cal. P.U.C. Nos. A-46 and K-5, to withdraw Multi-Media Data Service (MMDS) due to Verizon's equipment vendor ADC withdrawing support for parts, technical assistance and repair of equipment needed to provide this service.

Background

By Advice Letter (AL) No. 10854, filed May 11, 2004, Verizon requests authority to withdraw its MMDS.

In its advice letter, and data request response, Verizon states that MMDS, a Category II service, is a fiber-optic based group of high-speed data and video services for use within a LATA. MMDS is a family of data transport services that allows users to transfer data at a variety of speeds. MMDS can be used to connect Ethernet (up to 10 Mbps) and Token Ring (4 to 16 Mbps) LANs, and provide host/remote IBM 3270 connections. MMDS video service is a single channel video for applications such as video conferencing and distance learning.

Verizon's MMDS is provided by equipment vendor ADC. Verizon states that in a May 31, 2001 letter, ADC informed Verizon that it, "has made the decision to discontinue immediately the marketing and selling of the Magnum Broadband Access Multiplexer product family and the Token Ring FDDI Fiber Optic Repeater families." These are the various multiplexers and repeaters associated with Verizon's MMDS product. ADC

agreed to support customers with existing maintenance agreements through the end of the contract period, but as of May 31, 2001, ADC stated it would no longer accept new agreements or renew existing agreements. Verizon states that without a technical and repair agreement, it will not be able to maintain the equipment in working condition. Verizon provided a copy of the May 31, 2001 letter from ADC in this advice letter filing.

A telephone call by the Telecommunications Division (TD) to ADC has confirmed that the company no longer sells or services the equipment needed to operate Verizon's MMDS and has sold the product lines to two other companies. In a data request from TD, Verizon was asked why it doesn't go to these other companies for service contracts so Verizon could continue offering this service. Verizon responded: "...this filing comes down to a business decision. VZ (Verizon) has chosen not to support an obsolete technology that is being requested by only 9 out of nearly 500,000 business customers. The best investment of our corporate resources is with the newer more robust services mentioned in our filing."

Verizon requests that the effective date of its withdrawal request be September 8, 2004.

Notice/Protests

In AL No. 10854, Verizon states copies of the Advice Letter were mailed to interested utilities and/or parties and also provided a service list containing the names and addresses of 25 parties. Notice of AL No. 10854 was published in the Commission Daily Calendar of May 17, 2004. No protests to this Advice Letter have been received.

Discussion

TD has reviewed and analyzed the tariff changes requested by Verizon in Advice Letter No. 10854, as well as the May 12, 2004 notification letter Verizon sent to its existing nine MMDS customers. TD finds that Verizon's request to withdraw this service is just and reasonable and also concludes that MMDS customers have been well informed of the proposed withdrawal of MMDS by Verizon and have been informed of the several other alternative data transmission services available from Verizon.

A telephone call by TD to ADC has confirmed that the company no longer sells or services the equipment needed to operate Verizon's MMDS and has sold the product lines to two other companies. In a data request from TD, Verizon was asked why it doesn't go to these other companies for service contracts so Verizon could continue offering this service. Verizon responded: "...this filing comes down to a business decision. VZ (Verizon) has chosen not to support an obsolete technology that is being requested by only 9 out of nearly 500,000 business customers. The best investment of our corporate resources is with the newer more robust services mentioned in our filing."

Therefore, Verizon's request for authority to revise Schedule Cal. P.U.C. Nos. A-46 and K-5, to withdraw its MMDS, effective on September 8, 2004, is just and reasonable.

Resolution No. T-9598, dated March 22, 1977, authorizes the Executive Director to grant requests for freezing or limiting communications utility tariff offerings of equipment that has been manufacturer discontinued.

Commission approval of TD's recommendations is based on the specifics of this Advice Letter and its associated tariff sheets, and does not establish a precedent for the contents of future filings or for Commission approval of similar requests.

Findings

1. Verizon requests authority to revise its Schedule Cal. P.U.C. Nos. A-46 and K-5, to withdraw Multi-Media Data Service (MMDS) due to Verizon's equipment vendor ADC withdrawing support for parts, technical assistance and repair of equipment needed to provide this service.
2. Verizon has provided a May 31, 2001 letter from equipment vendor ADC, which states, "ADC has made the decision to discontinue immediately the marketing and selling of the Magnum Broadband Access Multiplexer product family and the Token Ring FDDI Fiber Optic Repeater families."
3. A telephone call to ADC has confirmed that the company no longer sells or services the equipment needed to operate Verizon's MMDS and has sold the product lines to two other companies.
4. In a data request from TD, Verizon was asked why it doesn't go to these other companies for service contracts so Verizon could continue offering this service. Verizon responded, "...this filing comes down to a business decision. VZ (Verizon) has chosen not to support an obsolete technology that is being requested by only 9 out of nearly 500,000 business customers. The best investment of our corporate resources is with the newer more robust services mentioned in our filing."
5. Verizon has notified its nine MMDS customers on May 12, 2004, that this service would be withdrawn.
6. Verizon has not received any comments or protests from any parties.
7. Verizon is requesting an effective date of September 8, 2004 for the withdraw of its MMDS.

8. Pursuant to the authority granted the Executive Director in Resolution No. T-9598, Verizon's request for authority to revise tariff Schedule Cal. P.U.C. Nos. A-46 and K-5, to withdraw Multi-Media Data Service (MMDS) due to Verizon's equipment vendor ADC withdrawing support for parts, technical assistance and repair of equipment needed to provide this service, is just and reasonable and should be granted

THEREFORE, IT IS ORDERED that:

1. Verizon is granted authority to revise its Schedule Cal. P.U.C. Nos. A-46 and K-5, to withdraw Multi-Media Data Service (MMDS) tariffed offerings contained in Verizon California Inc.'s Advice Letter No. 10854 filed on May 11, 2004.
2. Advice Letter No. 10854 of Verizon and accompanying tariff sheets shall be marked to show that they were authorized by California Public Utilities Commission Resolution No. T-16843 with an effective date of September 8, 2004.
3. Verizon's Multi-Media Data Service shall be withdrawn effective September 8, 2004.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by Executive Action Resolution on June 23, 2004, at San Francisco, California.

/s/ WILLIAM AHERN

WILLIAM AHERN
Executive Director